United States Department of the Interior Bureau of Land Management

Finding of No Significant Impacts Environmental Assessments

DOI-BLM-UT-W010-2014-0001-EA (Salt Lake Field Office) DOI-BLM-UT-W020-2014-0012-EA (Fillmore Field Office)

October 2014

August 2014 Oil and Gas Lease Sale

Location: West Desert District

Salt Lake Field Office Fillmore Field Office

Applicant/Address: U.S. Department of the Interior

Bureau of Land Management

Utah State Office

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Introduction

The Bureau of Land Management ("BLM") Salt Lake and Fillmore Field Offices ("FOs") have completed environmental assessments (collectively "the EAs"), DOI-BLM-UT-W010-2014-0001-EA (Salt Lake FO) and DOI-BLM-UT-W020-2014-0012-EA (Fillmore FO), in order to address oil and gas lease parcels nominated within the Salt Lake and Fillmore FOs for the August 19, 2014, competitive oil and gas lease sale ("August 2014 Lease Sale").

In reviewing the nominations, which are also known as expressions of interest, filed with this office, BLM considered oil and gas leasing on approximately 319,137 acres of land within the jurisdiction of the Salt Lake and Fillmore FOs.

Based upon a lease parcel review process that was conducted in accordance with the National Environmental Policy Act ("NEPA") and BLM Washington Office ("WO") Instruction Memorandum ("IM") No. 2010-117, *Oil and Gas Leasing Reform – Land Use Planning and Lease Parcel Reviews*, approximately 279,850 acres of the nominated lands were either removed or deferred from consideration for offering at the August 2014 Lease Sale.

Lands were removed from leasing consideration if they were determined to be unavailable for lease. The nominated lands that were determined to be unavailable for lease included lands already under an existing oil and gas lease and lands where the United States Government does not own the mineral rights.

The reasons for deferring leasing consideration for certain nominated lands included the presence of areas identified as habitat for greater sage-grouse; areas contaminated with unexploded ordinances ("UXO"); areas within the potential trail management corridor for the California National Historic Trail ("NHT"); and areas within the Knolls Special Recreation Management Area ("SRMA"). With respect to the previously listed reasons for deferral, BLM has determined that it is appropriate to defer new oil and gas leasing on the subject lands until after the management of the aforementioned items have been addressed in a subsequent land use planning action or, with respect to the lands deferred on account of UXO contamination, until after the Environmental Protection Agency ("EPA") and Department of Defense ("DOD") have provided BLM with certain safety procedures related to the management of UXO and the Military Munitions Response Program ("MMRP").

Additional information regarding the nominated lands deferred or removed from the August 2014 Lease Sale lands is documented in the EA prepared by the Salt Lake FO at Appendix C and in the Deferred Lands List maintained on the BLM Utah oil and gas lease sale website.¹

¹ Access online at: http://www.blm.gov/ut/st/en/prog/energy/oil_and_gas/oil_and_gas_lease.html

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On May 15, 2014, a Notice of Competitive Oil and Gas Lease Sale ("NCLS") was posted which identified twenty-two parcels, encompassing approximately 39,288 acres of land, proposed for offering at the August2014 Lease Sale. The parcels proposed for lease in the NCLS corresponded with the parcels analyzed and recommended for lease in the EAs and in a memorandum from the BLM West Desert District Office to the BLM Utah State Office.

The twenty-two parcels proposed for leasing in the NCLS were offered for sale at a competitive oral auction held on August 19, 2014. Of the twenty-two parcels offered at the August 19, 2014, auction, two parcels within the Fillmore FO, UTU90556 (UT0814 – 129) and UTU90557 (UT0814 – 141), received bids. The twenty parcels that were not bid upon became available for noncompetitive leasing in accordance with Subpart 3110 of Title 43 of the Code of Federal Regulations ("CFR") for a two-year period that commenced on August 20, 2014.

This Finding of No Significant Impacts ("FONSI") addresses the following twenty-two parcels (approximately 39,288 acres), which were offered for lease at the August 2014 Lease Sale:

Salt Lake FO parcels (DOI-BLM-UT-W010-2014-0001-EA):

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UTU90536 (UT0814 – 037), UTU90537 (UT0814 – 038), UTU90538 (UT0814 – 039), UTU90539 (UT0814 – 040), UTU90540 (UT0814 – 041), UTU90541 (UT0814 – 042), UTU90542 (UT0814 – 043), UTU90543 (UT0814 – 044), UTU90544 (UT0814 – 052), UTU90545 (UT0814 – 053), UTU90546 (UT0814 – 054), UTU90547 (UT0814 – 055), UTU90548 (UT0814 – 056), UTU90549 (UT0814 – 057), UTU90550 (UT0814 – 058), UTU90551 (UT0814 – 059), UTU90552 (UT0814 – 060), UTU90553 (UT0814 – 067), UTU90554 (UT0814 – 068), and UTU90555 (UT0814 – 069)
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Fillmore FO parcels (DOI-BLM-UT-W020-2014-0012-EA):

UTU90556 (UT0814 – 129), and UTU90557 (UT0814 – 141).

Oil and gas leasing provides for the orderly development of fluid mineral resources under the jurisdiction of BLM in a manner consistent with multiple use management and environmental consideration for the resources that are present. The environmental analyses discussed in the EAs indicates that adequate protections are included with the leases in order to protect public health and safety and assure full compliance with the objectives of NEPA and other federal laws and regulations intended for the protection of the environment.

Continued leasing is necessary to maintain options for the exploration of oil and gas as companies explore new areas for production or attempt to locate and develop previously unidentified, inaccessible or uneconomical reserves. The sale of oil and gas leases will assist in meeting the energy needs of the United States.

The underlying need for the August 2014 Lease Sale proposal, as described in the EAs at Chapter 1, has been met while accomplishing the BLM's multiple use management mandate and the following purposes:

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² The NCLS is available online at the BLM Utah's oil and gas lease sale website, which is located at: http://www.blm.gov/ut/st/en/prog/energy/oil_and_gas/oil_and_gas_lease.html

- 1. Consider environmental impacts;
- 2. Protect public health and safety;
- 3. Assure full compliance with the objectives of NEPA and other federal environmental laws and regulations designed to protect the environment; and
- 4. Meet the energy needs of the United States public.

FINDING OF NO SIGNIFICANT IMPACTS DETERMINATION

Based upon a review of the EAs and the supporting documents³, and considering the criteria for significance provided by 40 CFR 1508.27, I have determined that leasing the aforementioned twenty-two parcels, as provided for in the NCLS and the Proposed Actions (Alternatives B) described in the EAs, does not constitute a major federal action and it will not have a significant effect on the quality of the human environment, individually or cumulatively with other actions in the general project area, beyond those described in the Final Environmental Impact Statements ("FEISs") prepared for the following Records of Decision and Approved Resource Management Plans ("ROD/RMPs"): the Pony Express ROD/RMP (1990, as maintained) (Salt Lake FO) and the House Range Resource Area ROD/RMP (1987, as maintained) (Fillmore FO). Therefore, neither an environmental impact statement ("EIS") nor a supplement to the aforementioned FEISs is required for the August 2014 Lease Sale proposal.

This determination is based upon the context and intensity of the oil and gas leasing proposal, as described below:

<u>Context</u>: The August 2014 Lease Sale involved twenty-two parcels (approximately 39,288 acres) of BLM administered lands within the Salt Lake and Fillmore FOs that by themselves do not have international, national, regional, or state-wide importance. In developing the Pony Express and House Range Resource Area ROD/RMPs, BLM estimated the surface disturbance for all significant, reasonably foreseeable oil and gas activities within the planning areas over the course of a 20 year period. The BLM verified these projections again during the preparation of the August 2014 Lease Sale EAs.

<u>Intensity</u>: The discussion of intensity that follows is organized in accordance with the ten criteria for significance described at 40 CFR 1508.27⁴. In evaluating intensity for the August 2014 Lease Sale proposal, the following criteria were considered:

1. Impacts may be both beneficial and adverse. The subject oil and gas leasing proposal would impact other resources as described in the EAs and the aforementioned FEISs and ROD/RMPs. Mitigation measures, which include lease stipulations and notices, to reduce the potential impacts that leasing the twenty-two August 2014 Lease Sale parcels may have upon other natural resources and uses of the public land have been applied to the leases. The mitigation measures applied to the leases were based upon the analysis and decisions identified in the applicable FEISs and ROD/RMPs and the

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³ The EAs tier to and/or incorporates by reference the analysis and information contained in the supporting documents identified in both EAs at sections 1.5 and 1.6.

⁴ The Council on Environmental Quality promulgated regulations, which have been codified at 40 CFR 1500 to 1508, in order to implement NEPA.

environmental analysis that was conducted as a part of the lease parcel review process completed for the August 2014 Lease Sale.

None of the potential environmental effects discussed in the EAs are considered significant, as defined by 40 CFR 1508.27, nor do the effects exceed those described in the aforementioned FEISs and ROD/RMPs. Should all of the offered parcels be developed, they may contribute substantially to local, regional and national energy supplies. Before any surface disturbing operations may be authorized upon the leases, additional and site-specific analysis pursuant to NEPA and further mitigation (if warranted and consistent with the standard lease terms and lease notices and stipulations attached to the leases) to reduce impacts to the environment and other uses of the public lands will be required through the Application for Permit to Drill ("APD") process.

2. The degree to which the proposed action will affect public health or safety. Leasing for oil and gas and the subsequent exploration and development is an on-going activity on public lands. The standard lease terms, stipulations and notices attached to the subject lease parcels and the additional NEPA analysis and potential protections/mitigations at the APD stage ensure that development of the leases would occur in a way that protects public health and safety. For example, spill prevention plans would be required and any drilling operations would be conducted in accordance with the safety requirements of 43 CFR Subpart 3160, the Federal Onshore Oil and Gas Orders ("Onshore Orders"), recommended best management practices of the American Petroleum Institute and other industry requirements for the protection of worker safety and public health.

Environmentally responsible oil and gas operations, including health and safety, are outlined in both EAs at sections 2.1.1 through 2.1.6. All operations, including well pad and road construction, water handling and plugging and abandonment, would be conducted in accordance with The Gold Book: Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development (United States Department of the Interior and United States Department of Agriculture, Bureau of Land Management, Denver, Colorado, 84 pp., 2007) ("the Gold Book"). The Gold Book provides operators with a combination of guidance and standards for ensuring compliance with agency policies and operating requirements, such as those found in 43 CFR Part 3160, the Onshore Orders and notices to lessees. Also included in the Gold Book are environmental best management practices; these measures are designed to provide for safe and efficient operations while minimizing undesirable impacts to the environment. For example, handling of produced water is addressed in Onshore Oil and Gas Order No. 7, which prescribes measures required for the protection of surface and ground water sources. During reclamation, if the fluids within a reserve pit have not evaporated within 90 days, the fluid would be pumped from the pit and disposed of in accordance with the applicable regulations.

3. Unique characteristics of the geographic area such as proximity to cultural resources and Traditional Cultural Properties, recreation, visual resources, vegetation, and wildlife. The following resources and uses within the project area for the Salt Lake FO EA (DOI-BLM-UT-W010-2014-0001-EA) are not affected by the August 2014 Lease Sale because they are not present within that project area: areas of critical environmental concern, fish habitat, paleontology, threatened, endangered, candidate or

special status plant or animal species, wetland/riparian zones, wild and scenic rivers, wilderness/wilderness study areas, and woodland/forestry.

The following resources and uses within the project area for the Fillmore FO EA (DOI-BLM-UT-W020-2014-0012-EA) are not affected by the August 2014 Lease Sale because they are not present within that project area: areas of critical environmental concern, farmlands (prime or unique), national historic trails, paleontology, threatened, endangered, candidate or special status plant or animal species, wetlands/riparian zones, wild horses and burros, wilderness/wilderness study areas, and woodland/forestry.

The following resources and uses analyzed in the Salt Lake FO EA (DOI-BLM-UT-W010-2014-0001-EA), although present, would not be affected by the August 2014 Lease Sale for the reasons listed in Appendix D (Interdisciplinary Team Checklist) of that EA: cultural resources, greenhouse gas emissions, environmental justice, farmlands (prime or unique), floodplains, fuels/fire management, geology / mineral resources/energy production, invasive species/noxious weeds, lands/access, livestock grazing, national historic trails, Native American religious concerns, rangeland health standards, recreation, socio-economics, soils, wastes (hazardous or solid), water resources/quality (drinking, surface, & ground), vegetation excluding special status species, visual resources, wild horses and burros and lands with wilderness characteristics.

The following resources and uses analyzed in the Fillmore FO EA (DOI-BLM-UT-W020-2014-0012-EA), although present, would not be affected by the August 2014 Lease Sale oil and gas leasing proposal for the reasons listed in Appendix C (Interdisciplinary Team Checklist) of that EA: cultural resources, greenhouse gas emissions, environmental justice, floodplains, fire/fuels management, geology/mineral resources/energy production, invasive species/noxious weeds, lands/access, livestock grazing, Native American religious concerns, property boundaries, rangeland health standards, recreation, socioeconomics, soils, wastes (hazardous or solid), water resources/quality (drinking, surface, & ground), water rights, vegetation excluding designated special status species, visual resources, and lands with wilderness characteristics.

As previously noted, the environmental analysis documented in the EAs indicates that the reasonably foreseeable impacts of the August 2014 Lease Sale will not exceed significance thresholds for any resource or use of the public lands.

- 4. The degree to which the effects on the quality of the human environment are likely to be highly controversial. Scientific controversy over the nature of the impacts does not exist. The oil and gas exploration and development that could follow leasing is a common practice on public lands. The nature of the activities and the resultant impacts are understood and have been analyzed and disclosed to the public through existing BLM NEPA documents and within the EAs.
- 5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks. As stated above, leasing and subsequent exploration and development of oil and gas is not unique or unusual. The BLM has experience implementing the oil and gas program, and the environmental effects to the human environment are fully analyzed in existing NEPA documents,

including the EAs. Therefore, there are no predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

- 6. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration. Reasonably foreseeable actions connected to the decision to lease have been considered. A lessee's right to explore and drill for oil and gas, at some location on the lease, subject to the standard lease terms and specific lease notices and stipulations attached to the lease, is a conspicuous aspect of lease issuance. A lessee must submit to BLM an APD identifying the specific location and plans for use of the surface and BLM must approve an APD before any surface disturbance, including drilling, may commence on a lease. The BLM's consideration of an APD will include site-specific environmental analysis and documentation in accordance with NEPA. If BLM approves an APD, a lessee may produce oil and gas from the lease without additional approval so long as such production is consistent with the terms of the BLM-approved APD. The impacts which may result from leasing and the subsequent development of oil and gas from the subject lease parcels were considered by interdisciplinary teams in the Salt Lake and Fillmore FOs within the context of past, present, and reasonably foreseeable future actions and, as stated below, significant cumulative effects are not predicted.
- 7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts which include connected actions regardless of land ownership. The BLM's Salt Lake and Fillmore FOs each assembled interdisciplinary teams of resource specialists in order to evaluate the potential environmental effects that could result from the August 2014 Lease Sale project. These interdisciplinary teams evaluated potential environmental effects within the context of past, present and reasonably foreseeable future actions. The environmental analyses that were conducted by the interdisciplinary teams and documented in the EAs did not predict significant direct, indirect or cumulative effects to result from the August 2014 Lease Sale. A complete disclosure of the potential effects, including the cumulative effects, of leasing the subject August 2014 Lease Sale parcels is contained in both EAs at Chapter 4.

In summary, the EAs established that the potential increased surface disturbances that may result from oil and gas operational authorizations associated with the August 2014 Lease Sale may impact the following resources: air quality, migratory birds and wildlife excluding special status species. However, it is anticipated that the protective measures applied to the August 2014 Lease Sale parcels, such as the standard lease terms, lease stipulations and notices and the operating procedures and best management practices contained or referenced in 43 CFR Part 3160, the Onshore Orders, and the Gold Book, will reduce the impacts to other resources and other uses within the cumulative impact analysis areas ("CIAs") analyzed in the EAs. Moreover, when the aforementioned protective measures are combined with the minimal amounts of disturbances predicted to be associated with the reasonably foreseeable levels of development within in the CIA, potential cumulative impacts are further reduced to negligible levels.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources. Leasing of the parcels, as provided for in the NCLS and the

Proposed Action alternatives of the EAs, will not adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing on the National Register of Historic Places, nor will it cause loss or destruction of significant scientific, cultural, or historical resources.

In order to identify and assess the potential impacts that leasing the subject August 2014 Lease Sale parcels might have on cultural resources, including historic properties that are listed or eligible for listing on the National Register of Historic Places pursuant to the National Historic Preservation Act ("NHPA"), BLM cultural resources specialists reviewed and analyzed existing records for cultural resources within the areas of potential effects ("APEs") for the August 2014 Lease Sale. These cultural resources records reviews and analyses indicated cultural resource densities that, when considered along with the protective measures applicable to each of the subject lease parcels (i.e. standard lease terms and lease notices and stipulations), lead BLM to determine that the issuance and subsequent development of the August 2014 Lease Sale parcels could occur without having significant adverse impacts upon cultural resources. With respect to those cultural resources eligible for protection under NHPA specifically, in accordance with NHPA and its implementing regulations at 36 CFR Part 800, the BLM Salt Lake and Fillmore FOs made determinations of "No Historic Properties Effected" and "No Adverse Effect" to historic properties, respectively, for the August 2014 Lease Sale.

In order to provide notice of and solicit additional information and consultation regarding its reviews and determinations as to the potential impacts to cultural resources that could result from the August 2014 Lease Sale, BLM sent letters to the Utah State Historic Preservation Office ("SHPO") and potentially interested Native American Tribes.

On May 23, 2014, SHPO provided its written concurrence for the Fillmore FO's determination of No Adverse Effect to historic properties for the August 2014 Lease Sale. Likewise, on June 25, 2014, SHPO provided its written concurrence for the determination by the Salt Lake FO of No Historic Properties Effected by the August 2014 Lease Sale.

Additional information regarding communications with Native American Tribes and SHPO, as well as other information that supports the determination by BLM that the August 2014 Lease Sale was conducted in manner that complies with NHPA, the American Indian Religious Freedom Act, the Native American Graves and Protection Act, and other related laws, regulations and policies, can be found in the EAs and in the administrative record compiled and maintained by the BLM Utah State Office for the August 2014 Lease Sale.

In order to protect resource values associated with the California NHT, the Salt Lake FO deferred lands nominated for the August 2014 Lease Sale that intersected with high value segments of the trail. These lands were deferred because the applicable RMP for the area, the Pony Express RMP/ROD (1990), was approved prior to the designation of the California NHT by Congress in 1992 and, as a result, the RMP lacked management prescriptions for the protection of the trail. As a result of these deferrals, adverse impacts to NHT segments are not predicted to result from the August 2014 Lease Sale.

9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely

affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list. In 2006, BLM and the United States Fish and Wildlife Service ("USFWS") conducted statewide consultation, which resulted in the development of specific lease notices for individual ESA listed species.

The BLM has committed to attach oil and gas lease notices that were designed to manage and protect specific listed species in conjunction with the authority of the Endangered Species Act ("ESA") and the standard lease terms. The BLM and USFWS have agreed upon the language of the lease notices, which will notify oil and gas lessees of specific species and the associated protection requirements imposed by the ESA.

In addition, pursuant to WO IM No. 2002-174, the following has been included as a formal stipulation on all of the August 2014 Lease Sale parcels:

The lease may now and hereafter contain plants, animals, and their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objectives to avoid BLM approved activity that will contribute to a need to list such a species or their habitat. BLM may require modification to or disapprove a proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligation under requirements of the Endangered Species Act, as amended, 16 U. S. C. § 1531 et seq., including completion of any required procedure for conference or consultation.

The BLM coordinated with USFWS and the Utah Division of Wildlife Resources ("UDWR") to identify and evaluate the potential impacts to plant and animal species, including BLM sensitive species and species that are listed, candidates or proposed for listing as threatened or endangered under ESA, that may result from leasing the August 2014 Lease Sale parcels. Both USFWS and UDWR, which have jurisdiction by law and expertise over the fauna and flora in Utah, were also involved in BLM's application of lease stipulations and notices to the August 2014 Lease Sale parcels.

Since appropriate lease notices and stipulations for the protection of plant and animal species have been identified and applied through the aforementioned interdisciplinary and interagency efforts, BLM concluded that plant and animal species were not likely to be adversely affected by the August 2014 Lease Sale.

On July 22, 2014, BLM received concurrence from USFWS regarding BLM's determination that leasing of the August 2014 Lease Sale parcels will have "no effect" on ESA listed species.

10. Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where non-federal requirements are consistent with federal requirements. The issuance of leases for the parcels offered at the August 2014 Lease Sale would not violate any known federal, state, local or tribal law or other requirement imposed for the protection of the environment. Potentially interested state, local, and tribal interests were given the opportunity to participate in the environmental assessment process.

In addition, based on the emissions estimates and consideration of the parcel locations relative to population centers and "Class 1" areas, no significant air resource impacts are anticipated. Detailed analysis or modeling is not warranted.

The August 2014 Lease Sale was conducted in manner that is consistent with the applicable land use plans, laws, regulations and policies, which are described in the EAs at Chapter 1. Additional consultation, coordination and environmental analysis will be required during the review and approval of site-specific proposals for oil and gas exploration, drilling and development on the August 2014 Lease Sale parcels.

_Roger Bankert	_10/24/2014
Authorized Officer	Date